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NOTES

SUCCESSFUL CO-OPERATION AMONG FRUIT GROWERS

An account of the extent and various forms of co-operation successfully engaged in by the farmer today would show him to be lessening his reliance on independent effort. The recent development of co-operation, such as that concerned with creameries and grain elevators, means that the farmer is bringing business organization into his industry. A good degree of success in this direction has been attained in our country recently by the co-operative societies among growers of fruit.

These associations are, as a rule, composed of fruit growers in the vicinity of some shipping-point; a number of these local societies sometimes unite to form a larger organization; and a number of the larger groups may, as in California, unite into a still larger or central association. The principal business of each association is largely in the hands of a manager who is elected either directly by the members or by a board of directors or officers of their choosing.

As a detailed illustration of the character and extent of the business of a single society, The Grand Junction Fruit Growers' Association of Oregon may be cited. This is the oldest and largest of about thirty associations of that state. It has been organized for more than fifteen years, had six hundred and six stockholders in 1906, and is capitalized at \$100,000. The amount of its total business in 1906 was \$814,278, an increase of nearly 1,000 per cent. in a decade. For the three years 1904-06 the average number of cars shipped annually was more than one thousand. The fruit consisted chiefly of peaches, apples, pears, plums, grapes and apricots. These went in carload lots to twenty-six different states. In addition to shipping the fruit, the association buys for its members many supplies and articles of various kinds. The 1906 statement shows that two hundred and twenty-four cars were received. One hundred and twenty-three cars were required for box shooks and at least one for each of the following articles: hay, oranges and lemons, spray materials, spraying outfits, berry boxes and baskets, wrapping-paper, paper and paper bags, nails, bee supplies, salt,

nuts, grain sacks, sweet potatoes, cabbage, beans, California potatoes, and Manitou water.

These associations have not been the outcome of theorizing but have been necessitated by the conditions for marketing fruit. Small individual orchardists who have generally been unacquainted with the ways of the wholesale and retail markets have found themselves frequently at the mercy either of direct buyers or commission merchants—men not especially noted for their mercy. Generally, too, the growers must ship their fruit considerable distances, if they would find for it any market at all. To do this successfully and profitably they must be able to take advantage of the cheaper rates for carload lots. They must keep constantly acquainted with the demands of the various consuming centers so as to avoid consigning fruit to an already glutted market, or, in case shipment is in transit, to divert it elsewhere. The cost of obtaining such information would generally be too great for any one grower. The Peninsula Produce Exchange of Maryland, for example, "spends over \$10,000 annually in telegrams regarding crops, markets, and prices." These and other conditions unfavorable to the individual growers have made it important that they do their marketing with some degree of co-operation.

The benefits that have actually accrued to the organized fruit growers have been many. To begin with, the organized effort has generally been profitable. After deducting a commission to cover the expense of marketing and generally of packing the fruit, the associations have been able, as a rule, to return to their members more money per unit of fruit than these had formerly received and more than other persons not selling through the associations have received.

Many of the larger organizations by keeping an agent at each of the larger distributing centers, either to sell the fruit or to inspect it when received by commission merchants, have avoided many false claims, such as "not up to grade" or "received in poor condition." The California Fruit Growers' Exchange finds it profitable to keep about seventy-five of these agents at various centers in the United States and Canada, and one in London.

One of the most marked advantages is in connection with the grading and packing of the fruit. In these matters the tastes and fancies of customers are rather peculiar, so that fruit, if it is to sell at its full market value, must be crated in a particular way in

packages of a particular size, and be of a uniform kind, size, and color. These requirements are most likely to be fulfilled when the grading and packing are done either by the association under the direction of the manager or in accordance with his regulations.

Now that the marketing of the fruit is given over to someone especially qualified or trained for that task, the growers can give more concentrated attention to their own principal business, that of growing the fruit. They can venture now to specialize further or extend their orchards, since they have reasonable assurance that their fruit will be properly shipped, will be sent to the right markets, and will be sold on its merits; and, too, as a result of the direct and intimate knowledge that the manager has of the requirements of the market, the growers often introduce better varieties of fruit and better methods of culture.

The desire of many organizations seems to be to build up for their own brands of fruit a solid reputation—a reputation that requires the same honesty in the middle or bottom of a crate or barrel as that at the top. Often each individual member of an association has his own number stamped on all his crates or barrels so that praise or complaint may find its way back where it belongs. The Hood River Apple Growers' Union of Oregon, consisting of somewhat more than one hundred persons, has built up for itself an enviable reputation that extends beyond the borders of its own country. It is said that their fruit is received without inspection in the New York and London markets. Some of the associations in their effort to guard their good name against misrepresentations of dealers guarantee each package of their fruit and see that the guarantee is scrupulously carried out.

The associations have proved satisfactory to those having business relations with them. The railroads, by dealing with a single association rather than with many individual shippers, have had their work much simplified, and in consequence have been able to furnish better and more rapid service. Buyers and commission men have usually preferred an organization to an individual, because the product of the former is more likely to be generally known and to be shipped in such quantities and at such times as will best suit the needs of the trade. Mr. T. J. Hudson, recently traffic manager of the Illinois Central Railroad, said: "These organizations have worked to the mutual advantage of all—the railroads as well as the shippers and consignees."

The extent of the operations of these associations is difficult to determine, but they exist in nearly all of the principal fruit-growing communities from one ocean to the other. In Michigan, Illinois, Missouri, and the southern states they are found in flourishing condition. The Peninsula Produce Exchange of the Eastern Shore of Maryland, composed of twenty-five hundred farmers and having twenty-five local shipping-points, does an annual business of about \$2,000,000. In California the co-operative societies, according to a recent government bulletin, handle from 70 per cent. to 75 per cent. of the entire citrus-fruit crop of that state. Eighty of these local societies, marketing their fruit through their own California Fruit Growers' Exchange, did a business of about \$16,000,000 in the year 1906-7. The number of these associations in all parts of the country seems to be steadily growing and the amount of their business constantly on the increase.

It is not to be supposed, however, that all of the societies organized have been successful. More than one has been lured to destruction by means of tempting baits offered to individual members by designing buyers and commission men. Some have failed because of their unwillingness to pay a sufficient salary to secure the services of a competent manager, or because of their disposition to hedge him about with unnecessary restrictions. Many more have fallen to pieces through jealousies occasioned in the selection of officers, or through distrust that some members were getting an advantage over others. But in spite of these drawbacks, the co-operative societies have multiplied and have generally been held together by the powerful economic forces everywhere found to be working toward industrial organization.

These societies, arising largely from necessity and conducted generally on business principles, seem fitted to escape the failure that has so often attended co-operative effort. Because of their very substantial growth in the recent past and of the present encouraging conditions, they may be expected to occupy a constantly growing place in the business of farming. What is possibly of more significance, this co-operation is furnishing the isolated, individualistic, conservative farmer with just such a training as he needs to make of him a better business man and a more useful citizen.

E. K. EYERLY